

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:

WELTON DOUGLAS
ROSALIND DOUGLAS
DEBTORS

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CASE NO. 19-41285
CHAPTER 13

TRUSTEE'S STATEMENT PURSUANT TO 11 U.S.C. §1302(c)

The Standing Trustee hereby submits this Statement of Investigation of the financial affairs of the Debtors pursuant to 11 U.S.C. §1302(c).

1. Name of Debtors' businesses:
 - a. Douglas Company Realtors, LLC
 - b. The Douglas Place
2. Description of Debtors' businesses:
 - a. Douglas Company Realtors, LLC - residential and commercial real estate agents
 - b. The Douglas Place - seasonal event venue
3. Debtors' businesses styled as a:
 - a. Douglas Company Realtors, LLC - limited liability company
 - b. The Douglas Place - DBA
4. Number of employees or contract laborers:
 - a. Douglas Company Realtors, LLC - W-2 (0), 1099 (0)
 - b. The Douglas Place - W-2 (3-4), 1099 (2)
5. Debtors do / do not obtain trade credit in the operation of the business. Do not (both)
6. All required federal tax returns have been filed. Yes
7. The result of the Trustee's investigation pursuant to 11 U.S.C. §1106(a) is summarized in Exhibit 1.

Dated this 30 day of October, 2019.

/s/ Carey D. Ebert
Carey Ebert, TBN 05332500
Office of the Standing Chapter 13 Trustee
500 North Central Expressway, Suite 350
Plano, Texas 75074
(972) 943-2580 / Fax (972) 943-8050

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Trustee's Statement Pursuant to 11 U.S.C. §1302(c) has been served upon the following parties in interest by mailing a copy of the same to the parties - inclusive of the Debtors and Debtors' attorney - listed on the attached list of parties requesting notice of this case via first class mail:

Dated: 10/30/19

/s/ Carey D. Ebert

Carey Ebert, TBN 05332500
Office of the Standing Chapter 13 Trustee
500 North Central Expressway, Suite 350
Plano, Texas 75074
(972) 943-2580 / Fax (972) 943-8050

EXHIBIT 1

Analysis of Financial Data and Trustee's Recommendation

The Debtors indicated that the primary factor precipitating their bankruptcy filing was the impact of their decision to leave well-paying corporate jobs with guaranteed income to become independent real estate agents. Like many small business people they were undercapitalized and underestimated the costs and barriers to entry systemic to operating as a start up in their field. As a result they began to rely on debt to sustain themselves and rapidly reached a point where they could no longer manage their debt load. The Debtors, along with Mr. Douglas' parents, also own and operate a small event venue. However that business is very seasonal and per the Debtor's testimony barely generates enough revenue to pay Mr. Douglas' parents a modest net income and pay for maintaining the property. Mr. and Ms. Douglas determined that filing a Chapter 13 bankruptcy as a mechanism to resolve their outstanding debt obligations was their optimum solution.

Mr. and Ms. Douglas testified that they are experiencing some relief in their overall financial situation through the benefits of the Chapter 13 bankruptcy. Their real estate business is generally experiencing growth, but they indicated that they are still experiencing some challenging months with no closings. They indicated that they are confident of a continued positive sales curve, and the efficacy of implemented growth strategies and cost controls should enable them to avoid further cash flow disruptions to their business as Realtors.

Based on the financial data provided by the Debtors, and their testimony in response to questions at the Meeting of Creditors, it would appear that the Debtors' primary business of real estate is currently financially sound and does show promise of continuing economic improvement. The generally positive business conditions in their industry, coupled with the debt consolidation benefits of the bankruptcy process, appear to have the Debtors' business potentially poised for stability and profitability in the future. The Debtors will continue to assist Mr. Douglas' parents as needed in the operation of the event venue business, but as indicated the profits generated by the business are modest and primarily accrue to his elderly parents for their needs.

It is the opinion of the Trustee, pursuant to 11 U.S.C. §1302(c) and §1106(a), and based upon the financial data furnished by the Debtors, and contingent upon the results of future financial reporting on both businesses, that the Debtors' businesses are likely viable. The Trustee is also of the opinion that the continuance of the businesses is potentially desirable, and the Chapter 13 plan may prove to be feasible.